

Client Liability Guidelines

Presented by:

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General Information

- Developed by Committee made up of SCA Administrators, SCA Fiscal Staff, PACDAA representatives, and BDAP Staff
- Pilot began July 1, 2007
- Statewide implementation scheduled for July 1, 2008

7.01 General Provisions

- Applies to SCAs and their subcontractors
 - SCA Administrator has authority to delegate Part Seven functions to contracted providers of Case Management services or providers of D & A treatment services.
- Applies to clients receiving D & A services funded in whole or in part through the SCAs.
- Process and forms subject to audit by DOH.
- Service Provider has authority to bill the liable person the client fee schedule amount if client fails to provide 24 hour cancellation notice.

7.02 Exempt Services

- Prevention Services
- Intervention Services
- Case Management Services
 - Liabilities may be assessed when:
 - Minors under 18 are court-ordered for assessments under Act 1997-53
 - DUI offender is responsible to pay for assessment under Act 2003-24.

7.02 Exempt Services (cont.)

- Hospital and Non-Hospital Inpatient Detox Services
- D & A Services received in a prison-based setting
- Treatment Services for minors
 - 2 Exceptions
 - Minors under 18 who are court-ordered for treatment under Act 1997-53.
 - Minors with third party insurance coverage and this coverage can be accessed in accordance with confidentiality regulations.

7.02 Exempt Services (cont.)

- Treatment services for convicted and sentenced DUI offenders who must pay the full cost of treatment services. Liability guidelines apply if the SCA funds treatment in whole or in part to a convicted and sentenced DUI offender.
- Housing Services
- Other D & A Support Services, such as transportation, childcare, translation services.

7.03 Determination Of Liability

- Standardized form
- Liability shall be determined prior to client referral to or placement into D & A treatment services, except for emergencies.
 - Liability shall be determined within 15 days after emergency referral or placement.

7.03 Determination of Liability (cont.)

- Income shall be based on the last 30 days.
- For clients entering more intensive levels of care, whereby participation will impact earned income, the monthly gross income shall be based on the income once admitted, pro-rated to a 30 day period.
 - For example, a client entering non-hospital residential may have no income once admitted.

7.03 Determination of Liability (cont.)

- Who is the Liable Person?
 - **Client** is liable person if
 - age 18 or over,
 - is not married, and
 - does not have a legal guardian of estate or representative payee.

7.03 Determination of Liability (cont.)

- **Client and spouse** are liable if
 - residing together, and
 - there is no legal guardian of estate or representative payee.
 - Exception: If confidentiality issues preclude the spouse's information being obtained, then only the client is the liable person.
 - If client and spouse are not residing together, the client is the liable person.

7.03 Determination of Liability (cont.)

- **Client's parents or guardians are liable if:**
 - Client is under age 18 and has been court-ordered for assessment and/or treatment under Act 1997-53.

7.03 Determination of Liability (cont.)

- **Client** is the liable person if
 - Client is under age 18 and is an emancipated minor
 - Is not married, and
 - Does not have a legal guardian of estate or a representative payee.

7.03 Determination of Liability (cont.)

- If the client has a legal guardian of estate or representative payee, the legal guardian of estate or representative payee is the liable person.

7.03 Determination of Liability (cont.)

- Types of Income:
 - Earned Income includes wages, salaries, fees, commissions, tips, bonuses, net business income, and other earned income subject to Federal tax.
 - Interest Income
 - Dividends received from corporate stocks or life insurance policies

7.03 Determination of Liability (cont.)

- Types of Income (cont.)
 - Benefits including Unemployment Compensation, Social Security, Supplemental Security Income, public assistance, pensions, black lung benefits, and pensions.
 - Counted as income only if paid on behalf of client
 - Food stamps are not included
 - Alimony received or spousal support received prior to divorce. Does not include child support.
 - Other taxable income subject to Federal taxation such as rental income, lottery winnings, net capital gains.

7.03 Determination of Liability (cont.)

- Verification
 - Income shall be verified by written documentation, such as pay stubs, income tax statements, employer statement or affidavit.
 - Affidavits are written statements attesting that the information provided is true and correct and signed by the client and a witness.
 - Affidavit language is included on the liability form.
 - Copies of verification must be kept on file.
 - Failure to provide verification shall result in the liable person being billed for the full cost of service.

7.03 Determination of Liability (cont.)

- Re-determinations
 - The SCA or its designated provider must inform the liable person in writing that any significant changes in gross income and/or family size are to be reported by the liable person within 30 days of the change. Notification language is included on the liability form. A new liability will then be determined.
 - Re-determinations shall be completed at least once every 12 months.
 - Effective date of the re-determination shall be the first day of the following calendar month or as specified by the SCA.

7.03 Determination of Liability (cont.)

- Liability shall be based on the monthly gross income utilizing the appropriate table
- Liability shall not exceed the SCA established rate for the service provided.
- A copy of the liability form shall be offered to the liable person.

7.04 Reduction or Elimination of Liability

- The liable person has the right to request reduction or elimination of liability.
- Requests shall be made within 30 days of the condition warranting the adjustment.
- Requests shall be made by the liable person, the client, or a D & A professional.
- Requests shall be submitted to the SCA administrator or their designee.

7.04 Reduction or Elimination of Liability (cont.)

- Reasons for Reduction or Elimination:
 - Substantial Financial Hardship
 - Clinical Reasons
- Requests must be completed by a D & A professional who can justify the clinical or financial reasons for the request.
- Requests must be submitted on “Request for Liability Reduction or Elimination” Form

7.04 Reduction or Elimination of Liability (cont.)

- SCA Administrator or their designee shall make a decision and notify either the provider or the liable person, as applicable, within 10 business days of the receipt of the request.
- SCA should have policies in place whereby the liable person may appeal the reduction or elimination decision.

7.05 Collection and Write-Off of Past Due Accounts

- Expenditures by an SCA and its providers on behalf of a client are eligible for reimbursement by DOH less any assessed liability amount.
- If DOH funding is utilized to reimburse uncollected client liability, the SCA or its providers must have complied with their policy of collection of past due accounts prior to use of DOH funding.

7.05 Collection and Write-Off of Past Due Accounts (cont.)

- Collection policies must include:
 - Payment plans
 - Identification of past due account
 - Collection process
 - Write-off condition
 - Write-off approval process

7.05 Collection and Write-Off of Past Due Accounts (cont.)

- If a liability is collected from a client after a write-off has been made, it shall be returned to the SCA.
- The SCA shall record receipt of the write-off as miscellaneous income in the year received.
- The SCA shall keep an annual summary of reimbursed write-offs for review and audit by DOH.

7.06 Drug and Alcohol Client Fee Schedules

- Applies to clients using Commonwealth of PA funds for D & A Services
- Content of the Fee Schedule
 - Client fee schedule will vary depending on services provided, combination of personnel, and client target group.
 - Publicly funded client fees may not be higher than private pay client fees.
 - Client fee schedule rates may exceed the county program rate of reimbursement.

7.07 Instructions for Use of Liability Tables and Forms

- Tables are designed to reflect percentage of the unit cost or actual dollar figure that is the client's responsibility.
- Arranged in alphabetical order for all 67 counties.
- Multipliers based on Self-Sufficiency Standard for each County
- Multipliers applied to Poverty Level

7.07 Instructions for Use of Liability Tables and Forms (cont.)

- Includes 3 tables for each county:
 - Outpatient Drug-free
 - Intensive Outpatient/Partial Hospitalization
 - Inpatient Hospital/Non-Hospital Residential Treatment

7.07 Instructions for Use of Liability Tables and Forms (cont.)

- Steps to follow:
 - Select table for county funding the service
 - Select table for appropriate service
 - Crosswalk the income and number of dependents to determine client liability
 - Enter the percentage or dollar amount on the “Client Liability Form”
 - Amounts should be rounded up or down to nearest dollar

7.07 Instructions for Use of Liability Tables and Forms (cont.)

- SCAs may establish minimum co-pays for all levels of service not to exceed the first level of liability.
- Policies must be in place to support the co-pay system.
- Co-pay system must be consistently applied.

Client Liability Example #1

John Doe is a 22 year old client who lives alone. He has no dependents. His monthly income is \$2,300.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour

Client Liability Example #2

- Jane Doe is a 36 year old client who lives with her husband Jake. They have no dependent children. Jane's monthly income is \$1,400. Jake's monthly income is \$1,500.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour

Client Liability Example #3

- Lisa Smith is a 42 year old client who lives with her husband Bill. They have no dependent children. Lisa's monthly income is \$1,800. Bill's monthly income is \$2,100. Lisa does not want her husband to know that she is in treatment.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour

Client Liability Example #4

- Steve Jones is a 46 year old client who lives with his wife Kate and their three children. Steve's monthly income is \$2,400 and Kate's monthly income is \$600.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour

Client Liability Example #5

- Greg Green is a 33 year old client who resides with his significant other, Betty, and her three children. Greg's monthly income is \$1,600 and Betty's monthly income is \$300.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour

Client Liability Example #6

- Rob Moore is a 28 year old client who resides with his significant other Elizabeth and their two children. Rob's monthly income is \$2,800 and Elizabeth's monthly income is \$400.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour

Client Liability Example #7

- Matt is a 16 year old client who lives with his parents. Matt voluntarily entered treatment. His parents have no insurance coverage and are aware of Matt entering treatment. Matt's parents have a combined monthly income of \$3,500.

Outpatient and IOP Individual Rate = \$72/hour

Outpatient and IOP Group Rate = \$20/hour